



EPA Region 5 Records Ctr.



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May 23, 2003

**CERTIFIED MAIL (7000 0520 0014 2702 7319)
RETURN RECEIPT REQUESTED**

Ms. Eileen L. Furey
Associate Regional Counsel (C-14J)
U.S. Environmental Protection Agency, Region 5
77 West Jackson Boulevard
Chicago, IL 60604-3507

RE: CERCLA Section 104(e) Request, Allied Paper/Portage Creek/Kalamazoo
River Superfund Site

Dear Ms. Furey:

I have been asked to respond to the CERCLA Section 104(e) request directed by U.S. EPA's Region 5 office to Georgia-Pacific Corporation concerning the Allied Paper/Portage Creek/Kalamazoo River Superfund Site in Kalamazoo and Allegan Counties, Michigan.

Your request was directed to "Georgia-Pacific Corporation, 100 Wisconsin River Drive, Port Edwards, Wisconsin." However, the old Nekoosa Papers, Inc. Mill at Port Edwards, which had been owned by Georgia-Pacific, was sold to Domtar, Inc. in August 2001. Accordingly, that address is no longer valid for Georgia-Pacific. Your letter reached Michael Davis, legal counsel for Georgia-Pacific on March 24, 2003.

When Georgia-Pacific sold the Port Edwards mill to Domtar, all of the local employees ceased working for Georgia-Pacific and many, though not all, were hired by Domtar, Inc. Domtar retained certain corporate documents. Although Domtar has cooperated with us in our inquiries, we do not have a direct right of access to its files or control over the Domtar employees in Port Edwards. Furthermore, your inquiry relates to a time period between 1968 and 1971, now more than 30 years ago. All but the most junior employees at the time have now retired and a number are now dead. In light of these complicating factors, the answers provided to your questions, below, are believed accurate, but the long passage of time and the lack of relevant data has complicated our efforts. For these reasons, we object to the scope of the information request on the grounds that it is unduly burdensome, particularly in light of the long passage of time and several changes in ownership. The answers which follow are given subject to these objections.

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The answers to your specific questions are as follows:

1. Provide the month and year when NCR paper coated with any emulsion containing PCBs was first produced at the Port Edwards mill; the month and year when NCR paper coated with any emulsion containing PCBs was last produced at the Port Edwards mill; the amount of finished NCR paper shipped from the Port Edwards mill annually; and the amount of broke generated by the Port Edwards mill annually.

ANSWER: The paper mill at Port Edwards never worked with PCB emulsions for coating carbonless paper. However, for a brief period of time, Nekoosa Papers, Inc. owned a separate coating plant in Nekoosa, Wisconsin. Our information indicates that Nekoosa opened the coating plant in September 1970, and subsequently sold the plant to 3M in April 1971. All of the responses to your questions will relate to the former coating plant, unless otherwise specifically noted. Information from the former employees we interviewed and available documents suggests that PCB-containing resin was used at the coating plant to produce small quantities of carbonless paper only for about six months starting in November 1970 and ending in April 1971, before NCR decided not to purchase any further product from the plant. Georgia-Pacific was unable to locate any production records and does not know the amount of finished NCR paper shipped from the coating plant annually or during the approximately 6-month period when PCB-containing emulsions may have been used. However, Georgia-Pacific does have records purporting to indicate NCR emulsion purchases from March 1970 through February 1971 by the Nekoosa plant and those records are attached. These records were supposedly produced by NCR in response to a 104(e) information request for the Fox River Site. Copies are enclosed for your convenience.

Broke is a byproduct of the paper manufacturing process. Uncoated paper stock is manufactured in a paper mill, but in the case of Nekoosa, was shipped out of the paper mill to the coating plant in bulk rolls. The emulsions containing pressure sensitive chemicals were applied to the front and back paper stock which was used to form the carbonless paper sheet only at the coating plant. The coating process would not be expected to produce much "broke," as that occurs in the paper production process prior to the time that the paper stock would be coated with the pressure sensitive emulsions.

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Only limited trimmings would be expected to be produced because the coating plant shipped coated paper to NCR in bulk rolls. We could not locate any records which indicated the quantity of broke or scrap that may have been produced at the coating plant. However, attached is a memorandum dated October 13, 1971 from D.J. Krohn, then of Nekoosa, memorializing a telephone conversation concerning a local media inquiry. Also attached is the statement he delivered October 11, 1971 to the local paper. The documents indicate that only a limited amount of broke was generated and it all went to Appleton, Wisconsin.

2. Identify each shipment of NCR paper broke from the Port Edwards mill that was sent, directly or indirectly through a waste paper broker, to any of the secondary fiber pulp and paper mills located within the Kalamazoo River area of Michigan. For each such shipment, identify:
 - (a) the date (month and year) of the shipment;
 - (b) the amount (in pounds) of NCR paper broke shipped; and
 - (c) the name and address of the entity to which the shipment was sent.

ANSWER: We could find no evidence that any NCR paper broke containing PCBs was ever shipped from the Nekoosa coating plant, directly or indirectly to mills located within the Kalamazoo River area of Michigan. Instead, available evidence shows that a limited amount of broke was sent to a broker in Appleton, Wisconsin. It should be noted that Kalamazoo, Michigan is approximately 400 miles by road away from the Nekoosa/Port Edwards area. Many of those miles were on two-lane roads at the time and the trip would have had to go through Chicago and Gary, Indiana. We are aware of deposition testimony from prior litigation regarding the Kalamazoo River that some waste paper was potentially sent to Kalamazoo from the Nekoosa area, however the time frame and type of wastepaper was unclear, and the amount was not quantified. Based on the contemporaneous documents identified above and enclosed, there is no reason to believe that anything containing PCBs was ever shipped there from the Nekoosa coating operation.

3. Provide the dates (month and year) and amounts in pounds of NCR paper broke shipped from the Port Edwards mill, either directly or

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indirectly, to company-owned waste paper brokers and to other waste paper brokers.

ANSWER: We were not able to locate records showing the names of any brokers, or quantities and dates of shipments, but based on information from the former employees we interviewed and available records, the coating plant shipped a small amount of broke containing coated capsules to a broker located in Appleton, Wisconsin. It is believed that this is the same broker who purchased NCR broke from a plant in Combined Locks, Wisconsin. Rolls of paper coated with pressure sensitive emulsion were shipped from the coating plant in Nekoosa to Combined Locks, Wisconsin.

4. To the extent available, provide the current names, addresses and phone numbers for each waste paper broker to which NCR paper broke was shipped from the Port Edwards mill during the relevant period.

ANSWER: We do not have current information as to the specific identity of any such waste paper brokers.

If you have any further questions, please contact me. Also, as noted at the outset, Georgia-Pacific no longer owns any facilities in Nekoosa or Port Edwards, Wisconsin, so please direct any correspondence concerning Georgia-Pacific's past ownership of those facilities to J. Michael Davis, Law Department, Georgia-Pacific Corporation, 133 Peachtree Street, Atlanta, Georgia 30303, and not to the former facilities.

Very truly yours,

DEWITT ROSS & STEVENS S.C.



Richard J. Lewandowski

RJL:bmf

Enclosures

cc: J. Michael Davis (w/ enclosures)

I. Shipments

The shipments of NCR Paper Capsules in the calendar month of April are as follows:

Appleton Coated Paper Company	501,831 lbs.
Combined Paper Mills - Locks	86,895 lbs.
Nekoosa-Edwards	459 lbs.
Total Shipped in April	589,185

The shipments for the accounting month of April equalled 535,742 pounds. This is 2,718 pounds below our profit plan all due to a shortage of orders.

A comparison of the shipments by weeks, months and year-to-date follows:

<u>Week of:</u>	<u>APPLETON COATED</u>	<u>LOCKS MILL</u>	<u>NEKOOSA-EDWARDS</u>	<u>Year-to-date</u>
1/ 1/70 to 1/ 3/70	None	None		
1/ 4/70 to 1/10/70	86,940 lbs.	3,680 lbs.		
1/11/70 to 1/17/70	130,549 lbs.	7,266 lbs.		
1/18/70 to 1/24/70	115,887 lbs.	None		
1/25/70 to 1/31/70	<u>79,469</u> lbs.	<u>7,242</u> lbs.		
January sub-totals	412,845 lbs.	18,188 lbs.		
January total	<u>431,033</u> lbs.			431,033 lbs.
2/ 1/70 to 2/ 7/70	110,672 lbs.	14,424 lbs.		
2/ 8/70 to 2/14/70	101,419 lbs.	14,406 lbs.		
2/15/70 to 2/21/70	108,736 lbs.	7,215 lbs.		
2/22/70 to 2/28/70	<u>108,601</u> lbs.	<u>7,204</u> lbs.		
February sub-totals	429,428 lbs.	43,249 lbs.		
February total	<u>472,677</u> lbs.			903,710 lbs.
3/ 1/70 to 3/ 7/70	130,182 lbs.	7,201 lbs.		
3/ 8/70 to 3/14/70	122,697 lbs.	7,218 lbs.		
3/15/70 to 3/21/70	144,376 lbs.	7,189 lbs.		
3/22/70 to 3/28/70	122,792 lbs.	14,471 lbs.		
3/29/70 to 3/31/70	<u>57,587</u> lbs.	<u>7,217</u> lbs.	<u>177</u> lbs.	
March sub-totals	577,634 lbs.	43,296 lbs.	177 lbs.	
March total	<u>621,107</u> lbs.			1,524,817 lbs.
4/ 1/70 to 4/ 4/70	65,114 lbs.	7,215 lbs.		
4/ 5/70 to 4/11/70	116,220 lbs.	14,426 lbs.		
4/12/70 to 4/18/70	108,706 lbs.	21,817 lbs.		
4/19/70 to 4/25/70	124,998 lbs.	21,714 lbs.	459 lbs.	
4/26/70 to 4/30/70	<u>86,793</u> lbs.	<u>21,723</u> lbs.		
April sub-totals	501,831 lbs.	86,895 lbs.	459 lbs.	
April total	<u>589,185</u> lbs.			2,114,002 lbs.

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of:	APPLETON COATED	LOOKS MILL	NEXCOOSA-EDWARDS	HEAD CORP.	YEAR- TO-DATE
5/ 1/70 to 5/ 2/70	14,539 lbs.				
5/ 3/70 to 5/ 9/70	110,565 lbs.	23,864 lbs.			
5/10/70 to 5/16/70	96,599 lbs.	28,997 lbs.			
5/17/70 to 5/23/70	125,366 lbs.	28,929 lbs.			
5/24/70 to 5/30/70	89,399 lbs.	29,078 lbs.			
May sub-totals	436,868 lbs.	119,928 lbs.			
May total	552,796 lbs.				2,666,798 1
6/ 1/70 to 6/ 6/70	130,150 lbs.	21,843 lbs.	460 lbs.		
6/ 7/70 to 6/13/70	94,191 lbs.	21,753 lbs.			
6/14/70 to 6/20/70	60,210 lbs.	14,542 lbs.			
6/21/70 to 6/27/70	90,907 lbs.	14,503 lbs.	799 lbs.		
6/28/70 to 6/30/70	(Plant closed for vacation)				
June sub-totals	375,458 lbs.	72,641 lbs.	1,259 lbs.		
June total	449,354 lbs.				3,116,152 1
7/ 1/70 to 7/ 4/70	(Plant closed for vacation)				
7/ 5/70 to 7/11/70	123,382 lbs.	7,209 lbs.			
7/12/70 to 7/18/70	111,177 lbs.	36,245 lbs.			
7/19/70 to 7/25/70	89,334 lbs.	36,243 lbs.	826 lbs.		
7/26/70 to 7/31/70	95,637 lbs.	37,472 lbs.			
July sub-totals	419,530 lbs.	117,169 lbs.	826 lbs.		
July total	537,525 lbs.				3,653,677 1
8/ 2/70 to 8/ 8/70	95,715 lbs.	38,026 lbs.			
8/ 9/70 to 8/15/70	95,840 lbs.	19,115 lbs.			
8/16/70 to 8/22/70	105,163 lbs.	18,947 lbs.			
8/23/70 to 8/29/70	104,011 lbs.	28,420 lbs.			
8/30/70 to 8/31/70	28,340 lbs.	9,478 lbs.			
August sub-totals	429,069 lbs.	114,046 lbs.			
August total	543,115 lbs.				4,196,762 1
9/ 1/70 to 9/ 5/70	66,051 lbs.	18,810 lbs.		18,861 lbs.	
9/ 6/70 to 9/12/70	114,364 lbs.	23,454 lbs.			
9/13/70 to 9/19/70	95,213 lbs.	18,926 lbs.			
9/20/70 to 9/26/70	114,250 lbs.	19,161 lbs.			
9/27/70 to 9/30/70	85,835 lbs.	9,498 lbs.			
September sub-totals	475,738 lbs.	94,849 lbs.		18,861 lbs.	
September total	589,448 lbs.				4,786,240 1
10/ 1/70 - 10/ 3/70	19,023 lbs.	9,583 lbs.			
10/ 4/70 - 10/10/70	75,978 lbs.	38,070 lbs.			
10/11/70 - 10/17/70	66,763 lbs.	38,096 lbs.	9,512 lbs.		
10/18/70 - 10/24/70	133,805 lbs.	38,175 lbs.			
10/25/70 - 10/31/70	150,490 lbs.	28,489 lbs.			
October sub-totals	446,059 lbs.	152,413 lbs.	9,512 lbs.		
October total	607,924 lbs.				5,394,224
11/ 1/70 - 11/ 7/70	162,254 lbs.	28,552 lbs.	19,001 lbs.		
11/ 8/70 - 11/14/70	143,081 lbs.	19,070 lbs.	9,578 lbs.		
11/15/70 - 11/21/70	186,818 lbs.	28,637 lbs.	28,516 lbs.		
11/22/70 - 11/28/70	75,629 lbs.	28,448 lbs.	37,941 lbs.		
11/29/70 - 11/30/70	21,327 lbs.	10,769 lbs.	10,782 lbs.		
November sub-totals	589,109 lbs.	115,476 lbs.	105,818 lbs.		

APX0031389

I. Shipments

The shipments of all types of NCR Paper Capsules during the calendar month of January equalled 718,617 pounds. The distribution of shipments for the month were as follows:

Appleton Coated Paper Co.	525,733 pounds
Combined Paper Mills	94,170 pounds
Nekcoosa-Edwards Paper Co.	98,714 pounds
	<u>718,617 pounds</u>

There were a number of tank trucks of MIFB-OLR capsules and Indolyl Red capsules shipped to the three mills as follows:

	<u>MIFB</u>	<u>I.R.</u>	<u>Regular</u>	<u>Total Tank Trucks</u>
Appleton Coated Paper Co.	5	2	12	19
Combined Paper Mills	2		7	9
Nekcoosa-Edwards Paper Co.	4		32	36

Approximate weight of a tank truck of each capsule type equals 7900 pounds for MIFB, 9500 pounds for Indolyl Red and 11150 pounds for regular high solids.

The shipments for the accounting month of January, 1971, which includes the last week in December, 1970, and the first three weeks in January equalled 737,504 pounds. The Profit Plan for 1971 is based on 8,820,000 pounds of NCR Paper Capsules. Twenty three percent of this total was predicted for the First Quarter. For January the amount equals 676,200 pounds. We therefore show a plus variance of 61,604 pounds.

A comparison of shipments by weeks for the month of January follows:

<u>WEEK OF:</u>	<u>APPLETON COATED</u>	<u>COMBINED LOCKS</u>	<u>NEKOOSA-EDWARDS</u>	<u>YEAR-TO-DATE</u>
1/ 3/71 to 1/ 9/71	151,427 lbs.	30,789 lbs.	22,460 lbs.	
1/10/71 to 1/15/71	151,173 lbs.	22,256 lbs.	30,038 lbs.	
1/17/71 to 1/23/71	121,170 lbs.	22,153 lbs.	22,307 lbs.	
1/24/71 to 1/30/71	101,663 lbs.	18,972 lbs.	23,909 lbs.	
January sub-totals	525,733 lbs.	94,170 lbs.	98,714 lbs.	
January total	<u>718,617 lbs.</u>			

II. Financial

The January financial statement shows both Sales and Profits to be greater than the budget forecast. Total Sales were \$61,604.00 greater than budget and Profit was

APX0031390

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I. Shipments

The shipments of all types of NCR Paper Capsules during the calendar month of February equalled 438,536 pounds. The distribution of shipments for the month were as follows:

<u>MILL</u>	<u>AMOUNT</u>
Appleton Coated Paper Co.	294,898 pounds
Combined Paper Mills	98,013 pounds
Nekoosa-Edwards Paper Co.	<u>45,625 pounds</u>
Total	438,536 pounds

The number of tank trucks and distribution of capsule types for the calendar month were as follows:

	<u>MIFB</u>	<u>I.R.</u>	<u>Regular</u>	<u>Total Tank Trucks</u>
Appleton Coated Paper Co.	4	2	22	28
Combined Paper Mills	4		6	10
Nekoosa-Edwards Paper Co.	<u>3</u>	<u>2</u>	<u>2</u>	<u>5</u>
Totals	11	2	30	43

By weight in pounds the February deliveries show:

	<u>MIFB</u>	<u>I.R.</u>	<u>Regular</u>
Appleton Coated Paper Co.	31,477	19,003	244,418
Combined Paper Mills	31,558		66,455
Nekoosa-Edwards Paper Co.	<u>23,623</u>		<u>22,002</u>
Totals	86,658	19,003	332,875
Average Load Per Truck	7,878	9,502	11,096

The shipments for the accounting month of February equalled 497,927 pounds which is lower than the profit plan by 178,273 pounds. February represents one of the poorer months for shipments of capsules to the mills. Production was reduced to four work days during the month of February except the first week which was a normal five days.

A comparison of shipments by weeks, months and year-to-date follows:

<u>WEEK OF:</u>	<u>APPLETON COATED</u>	<u>COMBINED</u>	<u>NEKOOSA-EDWARDS</u>	<u>YEAR-TO-DATE</u>
1/ 3/71 to 1/ 9/71	151,427 lbs.	30,789 lbs.	22,460 lbs.	APX0031391
1/10/71 to 1/16/71	151,473 lbs.	22,256 lbs.	30,038 lbs.	
1/17/71 to 1/23/71	121,170 lbs.	22,153 lbs.	22,307 lbs.	
1/24/71 to 1/30/71	<u>101,663 lbs.</u>	<u>18,772 lbs.</u>	<u>23,509 lbs.</u>	
January sub-totals	525,733 lbs.	94,170 lbs.	98,714 lbs.	
January total	<u>718,617 lbs.</u>			

(shipments cont'd)

<u>WEEK OF:</u>	<u>APPLETON COATED</u>	<u>COMBINED LOCKS</u>	<u>NEKOCSA-EDWARDS</u>	<u>YEAR-TO-DATE</u>
2/ 1/71 to 2/ 6/71	87,437 lbs.	26,933 lbs.	23,623 lbs.	
2/ 7/71 to 2/13/71	79,415 lbs.	22,083 lbs.	22,002 lbs.	
2/14/71 to 2/20/71	64,983 lbs.	26,907 lbs.		
2/21/71 to 2/27/71	63,063 lbs.	22,090 lbs.		
February sub-totals	294,898 lbs.	98,013 lbs.	45,625 lbs.	
February total	<u>438,536</u> lbs.			1,157,153 lbs.

II. Financial

The February financial statement reports a negative variance of \$178,273.00. Even though January was ahead of the profit plan by \$61,604.00, it was not enough to offset the poor February result. The two month total is off by \$116,669.00. The plant operated only four days per week during the last three weeks in February due to poor incoming orders for capsules from the mills. While only two of these short work weeks show in the February statement there is a plus variance of \$364.18 saved on Direct Labor compared to the budget forecast.

The Gross Profit for February is off budget by \$119,603.43. Two factors contribute to the poorer showing this month. The most important is due to the production of OMAR capsules using higher cost raw materials (MIFB solvent at three times the cost of Aroclor) for 19.7% of the total production and the other reason is due to reduced production. We dropped from nine batches per day in January to seven batches per day in February. We did this by reducing all overtime in February. Four days at seven batches per day would normally result in twenty eight batches per week. However we only averaged the shipment of twenty four batches per week to the mills. The MIB for all capsules produced in February equalled 51.8 cents per pound (\$257,501.93 total cost of sales divided by \$497,927.00 total sales).

III. Production Quality

The use of the new CF standard, 171 XP-1791 A, made with "PPP" resin continues

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(shipments cont'd)

<u>WEEK OF:</u>	<u>APFLETON COATED</u>	<u>COMBINED LOOKS</u>	<u>NEXOCOSA-EDWARDS</u>	<u>YEAR-TO-DATE</u>
2/ 1/71 to 2/ 6/71	84,437 lbs.	26,933 lbs.	23,623 lbs.	
2/ 7/71 to 2/13/71	79,415 lbs.	22,083 lbs.	22,002 lbs.	
2/14/71 to 2/20/71	64,983 lbs.	24,907 lbs.		
2/21/71 to 2/27/71	63,063 lbs.	22,090 lbs.		
February sub-totals	294,898 lbs.	98,013 lbs.	45,625 lbs.	
February total	438,536 lbs.			1,157,153 lbs.
3/ 1/71 to 3/ 6/71	85,295 lbs.	22,066 lbs.		
3/ 7/71 to 3/13/71	88,595 lbs.	22,152 lbs.		
3/14/71 to 3/20/71	66,174 lbs.	21,158 lbs.		
3/21/71 to 3/27/71	115,942 lbs.			
3/28/71 to 3/31/71	27,708 lbs.			
March sub-totals	383,714 lbs.	65,376 lbs.		
(one drum to Head)	159 lbs.	98 lbs.		
March total	449,549 lbs.			1,606,702
	<u>449,188 lbs</u>			

II. Financial

The low level of orders continues to affect the financial picture at Portage. The year-to-date sales and profits are off by \$396,247.02 and \$256,498.32 respectively from the 1971 Profit Plan. With the end of the first quarter, actual costs of manufacturing capsules were computed in order to reflect a true variance from standard costs. Due to the use of higher cost raw materials, March had a negative variance of \$38,180.06. The standard cost upon which the financial statement is computed for the first two months of each quarter is still 47 cents per pound. Costs are actually closer to 50 cents per pound now with the newer emulsion. Where before we used to show a positive variance from standard, we can now expect a negative one for the reasons cited above. We continue to operate with two people less than our normal complement which is justified in view of the reduced workload. This naturally has affected our people related overhead and helps to explain the plus variance from our budget. The other large plus variances are due to the lower volume of business.

APX0031393

III. Production Quality

The quality of the March production remains essentially the same as the

I. Shipments

The shipments of all types of WCR Paper Capsules during the calendar month of February equalled 438,536 pounds. The distribution of shipments for the month were as follows:

<u>MILL</u>	<u>AMOUNT</u>
Appleton Coated Paper Co.	294,398 pounds
Combined Paper Mills	98,013 pounds
Nekoosa-Edwards Paper Co.	45,525 pounds
<u>Total</u>	<u>438,536 pounds</u>

The number of tank trucks and distribution of capsule types for the calendar month were as follows:

	<u>MFPS</u>	<u>I.R.</u>	<u>Regular</u>	<u>Total Tank Trucks</u>
Appleton Coated Paper Co.	4	2	22	28
Combined Paper Mills	4		6	10
Nekoosa-Edwards Paper Co.	3		2	5
<u>Totals</u>	<u>11</u>	<u>2</u>	<u>30</u>	<u>43</u>

By weight in pounds the February deliveries show:

	<u>MFPS</u>	<u>I.R.</u>	<u>Regular</u>
Appleton Coated Paper Co.	31,477	19,003	244,418
Combined Paper Mills	31,558		66,455
Nekoosa-Edwards Paper Co.	23,623		22,002
<u>Totals</u>	<u>86,658</u>	<u>19,003</u>	<u>332,875</u>
Average Load Per Truck	7,878	9,502	11,096

The shipments for the accounting month of February equalled 497,927 pounds which is lower than the profit plan by 178,273 pounds. February represents one of the poorer months for shipments of capsules to the mills. Production was reduced to four work days during the month of February except the first week which was a normal five days.

A comparison of shipments by weeks, months and year-to-date follows:

<u>WEEK OF:</u>	<u>APPLETON COATED</u>	<u>COMBINED LOCKS</u>	<u>NEKOOSA-EDWARDS</u>	<u>YEAR-TO-DATE</u>
1/ 3/71 to 1/ 9/71	151,427 lbs.	30,789 lbs.	22,460 lbs.	
1/10/71 to 1/16/71	151,473 lbs.	22,256 lbs.	30,038 lbs.	
1/17/71 to 1/23/71	121,170 lbs.	22,153 lbs.	22,307 lbs.	
1/24/71 to 1/30/71	101,663 lbs.	18,972 lbs.	23,909 lbs.	
January sub-totals	525,733 lbs.	94,170 lbs.	98,714 lbs.	
January total	<u>718,617 lbs.</u>			

0020-1897

APX0031658

02700000707

I. Shipments

The shipments of all types of NCR Paper Capsules during the calendar month of February equalled 438,536 pounds. The distribution of shipments for the month were as follows:

<u>MILL</u>	<u>AMOUNT</u>
Appleton Coated Paper Co.	294,898 pounds
Combined Paper Mills	98,013 pounds
Nekoosa-Edwards Paper Co.	45,625 pounds
Total	438,536 pounds

The number of tank trucks and distribution of capsule types for the calendar month were as follows:

	<u>MIFB</u>	<u>I.R.</u>	<u>Regular</u>	<u>Total Tank Trucks</u>
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Combined Paper Mills	4		6	10
Nekoosa-Edwards Paper Co.	3		2	5
Totals	11	2	30	43

By weight in pounds the February deliveries show:

	<u>MIFB</u>	<u>I.R.</u>	<u>Regular</u>
Appleton Coated Paper Co.	31,477	19,003	70,118
Combined Paper Mills	31,558		66,455
Nekoosa-Edwards Paper Co.	23,623		22,002
Totals	86,658	19,003	332,875
Average Load Per Truck	7,878	9,502	11,096

The shipments for the accounting month of February equalled 497,927 pounds which is lower than the profit plan by 178,273 pounds. February represents one of the poorer months for shipments of capsules to the mills. Production was reduced to four work days during the month of February except the first week which was a normal five days.

A comparison of shipments by weeks, months and year-to-date follows:

<u>WEEK OF:</u>	<u>APPLETON COATED</u>	<u>COMBINED LOCKS</u>	<u>NEKOOSA-EDWARDS</u>	<u>YEAR-TO-DATE</u>
1/ 3/71 to 1/ 9/71	151,427 lbs.	30,789 lbs.	22,460 lbs.	
1/10/71 to 1/16/71	151,473 lbs.	22,256 lbs.	30,038 lbs.	
1/17/71 to 1/23/71	121,170 lbs.	22,153 lbs.	22,307 lbs.	
1/24/71 to 1/30/71	101,663 lbs.	18,972 lbs.	23,909 lbs.	
January sub-totals	525,733 lbs.	94,170 lbs.	98,714 lbs.	
January total	718,617 lbs.			

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(enigments cont'd)

<u>WEEK OF:</u>	<u>APPLETON COATED</u>	<u>COMBINED LOCKS</u>	<u>NEXCOSSA-EDWARDS</u>	<u>YEAR-TO-DATE</u>
2/ 1/71 to 2/ 6/71	87,437 lbs.	26,933 lbs.	23,623 lbs.	
2/ 7/71 to 2/13/71	79,415 lbs.	22,083 lbs.	22,002 lbs.	
2/14/71 to 2/20/71	64,983 lbs.	26,907 lbs.		
2/21/71 to 2/27/71	<u>63,063 lbs.</u>	<u>22,090 lbs.</u>		
February sub-totals	294,898 lbs.	98,013 lbs.	45,625 lbs.	
February total	<u>458,576 lbs.</u>			1,257,253

II. Financial

The February financial statement reports a negative variance of \$178,373.00. Even though January was ahead of the profit plan by \$61,604.00, it was not enough to offset the poor February result. The two month total is off by \$116,669.00. The plant operated only four days per week during the last three weeks in February due to poor incoming orders for capsules from the mills. While only two of these short work weeks show in the February statement there is a plus variance of \$364.18 saved on Direct Labor compared to the budget forecast.

The Gross Profit for February is off budget by \$119,603.43. Two factors contribute to the poorer showing this month. The most important is due to the production of OMAR capsules using higher cost raw materials (MILB solvent at three times the cost of Aroclor) for 19.7% of the total production and the other reason is due to reduced production. We dropped from nine batches per day in January to seven batches per day in February. We did this by reducing all overtime in February. Four days at seven batches per day would normally result in twenty eight batches per week. However we only averaged the shipment of twenty four batches per week to the mills. The MCB for all capsules produced in February equalled 51.8 cents per pound (\$257,901.93 total cost of sales divided by \$497,927.00 total sales).

III. Production Quality

The use of the new CF standard, XP-1791 A, made with "PPP" resin continues

(shipments cont'd)

<u>WEEK OF:</u>	<u>ABRUSTON COATED</u>	<u>COMBINED LOCKS</u>	<u>MEXCOOSA-EDWARDS</u>	<u>YEAR-TO-DATE</u>
2/ 1/71 to 2/ 6/71	87,137 lbs.	26,933 lbs.	23,623 lbs.	
2/ 7/71 to 2/13/71	79,415 lbs.	22,083 lbs.	22,002 lbs.	
2/14/71 to 2/20/71	64,983 lbs.	26,907 lbs.		
2/21/71 to 2/27/71	53,063 lbs.	22,090 lbs.		
February sub-totals	284,598 lbs.	98,013 lbs.	45,625 lbs.	
February total	<u>438,536 lbs.</u>			1,157,155 lbs.

II. Financial

The February financial statement reports a negative variance of \$178,273.00. Even though January was ahead of the profit plan by \$61,604.00, it was not enough to offset the poor February result. The two month total is off by \$116,669.00. The plant operated only four days per week during the last three weeks in February due to poor incoming orders for capsules from the mills. While only two of these short work weeks show in the February statement there is a plus variance of \$364.18 saved on Direct Labor compared to the budget forecast.

The Gross Profit for February is off budget by \$119,603.43. Two factors contribute to the poorer showing this month. The most important is due to the production of OMAR capsules using higher cost raw materials (MIPS solvent at three times the cost of Aroclor) for 19.7% of the total production and the other reason is due to reduced production. We dropped from nine batches per day in January to seven batches per day in February. We did this by reducing all overtime in February. Four days at seven batches per day would normally result in twenty eight batches per week. However we only averaged the shipment of twenty four batches per week to the mills. The MCB for all capsules produced in February equalled 51.8 cents per pound (\$257,901.93 total cost of sales divided by \$497,927.00 total sales).

III. Production Quality

The use of the new CF standard, XP-1791 A, made with "PPP" resin continues

I. Shipments

The shipments of all types of NCR Paper Capsules during the calendar month of January equalled 718,617 pounds. The distribution of shipments for the month were as follows:

Appleton Coated Paper Co.	525,733 pounds
Combined Paper Mills	94,170 pounds
Nekoosa-Edwards Paper Co.	98,714 pounds
	<u>718,617 pounds</u>

There were a number of tank trucks of MFB-012 capsules and Indolyl Red capsules shipped to the three mills as follows:

	<u>MFB</u>	<u>I.R.</u>	<u>Regular</u>	<u>Total Tank Trucks</u>
Appleton Coated Paper Co.	5	2	42	49
Combined Paper Mills	2		7	9
Nekoosa-Edwards Paper Co.	4		32	36

Approximate weight of a tank truck of each capsule type equals 7000 pounds for MFB. 9500 pounds for Indolyl Red and 11150 pounds for regular high solids.

The shipments for the accounting month of January, 1971, which includes the last week in December, 1970, and the first three weeks in January equalled 757,604 pounds. The Profit Plan for 1971 is based on 8,820,000 pounds of NCR Paper Capsules. Twenty three percent of this total was predicted for the First Quarter. For January the amount equals 676,200 pounds. We therefore show a plus variance of 61,604 pounds.

A comparison of shipments by weeks for the month of January follows:

<u>WEEK OF:</u>	<u>APPLETON COATED</u>	<u>COMBINED LOCKS</u>	<u>NEKOOSA-EDWARDS</u>	<u>YEAR-TO-DATE</u>
1/ 3/71 to 1/ 9/71	151,427 lbs.	30,789 lbs.	22,460 lbs.	
1/10/71 to 1/16/71	151,473 lbs.	22,256 lbs.	30,038 lbs.	
1/17/71 to 1/23/71	121,170 lbs.	22,153 lbs.	22,307 lbs.	
1/24/71 to 1/30/71	<u>101,663 lbs.</u>	<u>18,972 lbs.</u>	<u>23,909 lbs.</u>	
January sub-totals	525,733 lbs.	94,170 lbs.	98,714 lbs.	
January total	<u>718,617 lbs.</u>			

II. Financial

The January financial statement shows both Sales and Profits to be greater than the budget forecast. Total Sales were \$61,604.00 greater than budget and Profit was

I. Shipments

The shipments of all types of NCR Paper Capsules during the calendar month of January equaled 718,617 pounds. The distribution of shipments for the month were as follows:

Appleton Coated Paper Co.	525,733 pounds
Combined Paper Mills	94,170 pounds
Nekoosa-Edwards Paper Co.	98,714 pounds
	<u>718,617 pounds</u>

There were a number of tank trucks of MIFB-JLR capsules and Indolyl Red capsules crimped to the three mills as follows:

	<u>MIFB</u>	<u>J.R.</u>	<u>Regular</u>	<u>Total Tank Trucks</u>
Appleton Coated Paper Co.	5	2	42	49
Combined Paper Mills	2		7	9
Nekoosa-Edwards Paper Co.	4		32	36

Approximate weight of a tank truck of each capsule type equals 7000 pounds for MIFB, 9500 pounds for Indolyl Red and 11150 pounds for regular high solids.

The shipments for the accounting month of January, 1971, which includes the last week in December, 1970, and the first three weeks in January equaled 737,604 pounds. The Profit Plan for 1971 is based on 8,820,000 pounds of NCR Paper Capsules. Twenty three percent of this total was predicted for the First Quarter. For January the amount equals 676,200 pounds. We therefore show a plus variance of 61,604 pounds.

A comparison of shipments by weeks for the month of January follows:

<u>WEEK OF:</u>	<u>APPLETON COATED</u>	<u>COMBINED LOCKS</u>	<u>NEKOOSA-EDWARDS</u>	<u>YEAR-TO-DATE</u>
1/ 3/71 to 1/ 9/71	151,427 lbs.	30,789 lbs.	22,460 lbs.	
1/10/71 to 1/16/71	151,473 lbs.	22,256 lbs.	30,038 lbs.	
1/17/71 to 1/23/71	121,170 lbs.	22,153 lbs.	22,307 lbs.	
1/24/71 to 1/30/71	<u>101,663 lbs.</u>	<u>18,972 lbs.</u>	<u>23,909 lbs.</u>	
January sub-totals	525,733 lbs.	94,170 lbs.	98,714 lbs.	
January total	<u>718,617 lbs.</u>			

II. Financial

The January financial statement shows both Sales and Profits to be greater than the budget forecast. Total Sales were \$61,604.00 greater than budget and Profit was

Per of:	APPLETON COATED	LOCKS MILL	NEXGOSA-EDWARDS	HEAD CORP.	YEAR- TO-DATE
5/ 1/70 to 5/ 2/70	14,539 lbs.				
5/ 3/70 to 5/ 9/70	110,965 lbs.	28,864 lbs.			
5/10/70 to 5/16/70	96,599 lbs.	23,997 lbs.			
5/17/70 to 5/23/70	125,366 lbs.	23,989 lbs.			
5/24/70 to 5/30/70	89,399 lbs.	29,078 lbs.			
May sub-totals	436,868 lbs.	115,928 lbs.			
May total	<u>552,796</u> lbs.				2,666,79
6/ 1/70 to 6/ 6/70	130,150 lbs.	21,843 lbs.	460 lbs.		
6/ 7/70 to 6/13/70	94,191 lbs.	21,753 lbs.			
6/14/70 to 6/20/70	60,210 lbs.	14,542 lbs.			
6/21/70 to 6/27/70	90,907 lbs.	14,503 lbs.	795 lbs.		
6/28/70 to 6/30/70	(Plant closed for vacation)				
June sub-totals	375,458 lbs.	72,641 lbs.	1,255 lbs.		
June total	<u>449,354</u> lbs.				3,113,15
7/ 1/70 to 7/ 4/70	(Plant closed for vacation)				
7/ 5/70 to 7/11/70	123,382 lbs.	7,209 lbs.			
7/12/70 to 7/18/70	111,177 lbs.	36,245 lbs.			
7/19/70 to 7/25/70	89,334 lbs.	36,243 lbs.	826 lbs.		
7/26/70 to 7/31/70	95,637 lbs.	37,472 lbs.			
July sub-totals	419,530 lbs.	117,169 lbs.	826 lbs.		
July total	<u>537,525</u> lbs.				3,553,67
8/ 2/70 to 8/ 8/70	95,715 lbs.	38,086 lbs.			
8/ 9/70 to 8/15/70	95,840 lbs.	19,115 lbs.			
8/16/70 to 8/22/70	105,163 lbs.	18,947 lbs.			
8/23/70 to 8/29/70	104,011 lbs.	28,420 lbs.			
8/30/70 to 8/31/70	28,340 lbs.	9,478 lbs.			
August sub-totals	429,069 lbs.	114,046 lbs.			
August total	<u>543,115</u> lbs.				4,196,76
9/ 1/70 to 9/ 5/70	66,051 lbs.	18,810 lbs.		18,861 lbs.	
9/ 6/70 to 9/12/70	114,344 lbs.	28,454 lbs.			
9/13/70 to 9/19/70	95,218 lbs.	18,926 lbs.			
9/20/70 to 9/26/70	114,290 lbs.	19,161 lbs.			
9/27/70 to 9/30/70	85,835 lbs.	9,498 lbs.			
September sub-totals	475,738 lbs.	94,849 lbs.		18,861 lbs.	
September total	<u>589,448</u> lbs.				4,786,24
10/ 1/70 - 10/ 3/70	19,023 lbs.	9,583 lbs.			
10/ 4/70 - 10/10/70	75,978 lbs.	38,070 lbs.			
10/11/70 - 10/17/70	66,763 lbs.	38,096 lbs.	9,512 lbs.		
10/18/70 - 10/24/70	133,805 lbs.	38,175 lbs.			
10/25/70 - 10/31/70	150,490 lbs.	28,489 lbs.			
October sub-totals	446,059 lbs.	152,413 lbs.	9,512 lbs.		
October total	<u>607,984</u> lbs.				5,394,22
11/ 1/70 - 11/ 7/70	162,254 lbs.	28,552 lbs.	19,001 lbs.		
11/ 8/70 - 11/14/70	143,081 lbs.	19,070 lbs.	9,578 lbs.		
11/15/70 - 11/21/70	186,818 lbs.	28,637 lbs.	28,516 lbs.		
11/22/70 - 11/28/70	75,629 lbs.	28,448 lbs.	37,941 lbs.		
11/29/70 - 11/30/70	21,327 lbs.	10,769 lbs.	10,782 lbs.		
November sub-totals	589,109 lbs.	115,476 lbs.	105,818 lbs.		
November total	<u>810,403</u> lbs.				6,204,62

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PERIOD	APPLETON COATED	LOCKS WELD	NEKOOSA-EDWARDS	HEAD CORP.	YEAR- TO-DATE
5/ 1/70 to 5/ 2/70	14,539 lbs.				
5/ 3/70 to 5/ 9/70	110,965 lbs.	28,864 lbs.			
5/10/70 to 5/16/70	96,599 lbs.	28,997 lbs.			
5/17/70 to 5/23/70	125,366 lbs.	28,989 lbs.			
5/24/70 to 5/30/70	89,399 lbs.	29,078 lbs.			
May sub-totals	436,868 lbs.	115,928 lbs.			
May total	552,796 lbs.				2,666,798 lb
6/ 1/70 to 6/ 6/70	130,150 lbs.	21,343 lbs.	460 lbs.		
6/ 7/70 to 6/13/70	94,191 lbs.	21,753 lbs.			
6/14/70 to 6/20/70	60,210 lbs.	14,542 lbs.			
6/21/70 to 6/27/70	90,907 lbs.	14,503 lbs.	795 lbs.		
6/28/70 to 6/30/70	(Plant closed for vacation)				
June sub-totals	375,458 lbs.	72,641 lbs.	1,255 lbs.		
June total	449,354 lbs.				3,116,152 lb
7/ 1/70 to 7/ 4/70	(Plant closed for vacation)				
7/ 5/70 to 7/11/70	123,382 lbs.	7,209 lbs.			
7/12/70 to 7/18/70	111,177 lbs.	36,245 lbs.			
7/19/70 to 7/25/70	89,334 lbs.	36,243 lbs.	826 lbs.		
7/26/70 to 7/31/70	95,637 lbs.	37,472 lbs.			
July sub-totals	419,530 lbs.	117,169 lbs.	826 lbs.		
July total	537,525 lbs.				3,653,677 lb
8/ 2/70 to 8/ 8/70	95,715 lbs.	38,086 lbs.			
8/ 9/70 to 8/15/70	95,840 lbs.	19,115 lbs.			
8/16/70 to 8/22/70	105,163 lbs.	18,947 lbs.			
8/23/70 to 8/29/70	104,011 lbs.	28,420 lbs.			
8/30/70 to 8/31/70	28,340 lbs.	9,478 lbs.			
August sub-totals	429,069 lbs.	114,046 lbs.			
August total	543,115 lbs.				4,196,762 lb
9/ 1/70 to 9/ 5/70	66,051 lbs.	18,810 lbs.		18,861 lbs.	
9/ 6/70 to 9/12/70	114,344 lbs.	28,454 lbs.			
9/13/70 to 9/19/70	95,218 lbs.	18,926 lbs.			
9/20/70 to 9/26/70	114,290 lbs.	19,161 lbs.			
9/27/70 to 9/30/70	85,835 lbs.	9,498 lbs.			
September sub-totals	475,738 lbs.	94,849 lbs.		18,861 lbs.	
September total	589,448 lbs.				4,786,240 lb
10/ 1/70 - 10/ 3/70	19,023 lbs.	9,583 lbs.			
10/ 4/70 - 10/10/70	75,978 lbs.	38,070 lbs.			
10/11/70 - 10/17/70	66,763 lbs.	38,096 lbs.	9,512 lbs.		
10/18/70 - 10/24/70	133,805 lbs.	38,175 lbs.			
10/25/70 - 10/31/70	150,490 lbs.	28,489 lbs.			
October sub-totals	446,059 lbs.	152,413 lbs.	9,512 lbs.		
October total	607,984 lbs.				5,394,224 lb
11/ 1/70 - 11/ 7/70	162,254 lbs.	28,552 lbs.	19,001 lbs.		
11/ 8/70 - 11/14/70	143,081 lbs.	19,070 lbs.	9,578 lbs.		
11/15/70 - 11/21/70	186,818 lbs.	28,637 lbs.	28,516 lbs.		
11/22/70 - 11/28/70	75,629 lbs.	28,448 lbs.	37,941 lbs.		
11/29/70 - 11/30/70	21,327 lbs.	10,769 lbs.	10,782 lbs.		
November sub-totals	589,109 lbs.	115,476 lbs.	105,818 lbs.		
November total	810,403 lbs.				6,204,627 lb

Week of:	APPLSTON COATED	LOCKS MILL	NEKOOSA-EDWARDS	NEAD CORP.	YEAR-TO-DATE
5/ 1/70 to 5/ 2/70	11,539 lbs.				
5/ 3/70 to 5/ 9/70	110,965 lbs.	28,864 lbs.			
5/10/70 to 5/16/70	96,599 lbs.	28,997 lbs.			
5/17/70 to 5/23/70	125,366 lbs.	28,989 lbs.			
5/24/70 to 5/30/70	89,399 lbs.	29,078 lbs.			
May sub-totals	436,868 lbs.	115,928 lbs.			
May total	<u>552,796</u> lbs.				1,666,798
6/ 1/70 to 6/ 6/70	130,150 lbs.	21,843 lbs.	460 lbs.		
6/ 7/70 to 6/13/70	94,191 lbs.	21,753 lbs.			
6/14/70 to 6/20/70	60,210 lbs.	14,542 lbs.			
6/21/70 to 6/27/70	90,907 lbs.	14,503 lbs.	795 lbs.		
6/28/70 to 6/30/70	(Plant closed for vacation)				
June sub-totals	375,458 lbs.	72,641 lbs.	1,255 lbs.		
June total	<u>449,354</u> lbs.				3,126,152
7/ 1/70 to 7/ 4/70	(Plant closed for vacation)				
7/ 5/70 to 7/11/70	123,382 lbs.	7,209 lbs.			
7/12/70 to 7/18/70	111,177 lbs.	36,245 lbs.			
7/19/70 to 7/25/70	89,334 lbs.	36,243 lbs.	826 lbs.		
7/26/70 to 7/31/70	95,637 lbs.	37,472 lbs.			
July sub-totals	419,530 lbs.	117,159 lbs.	826 lbs.		
July total	<u>537,525</u> lbs.				3,653,677
8/ 2/70 to 8/ 8/70	95,715 lbs.	38,036 lbs.			
8/ 9/70 to 8/15/70	95,840 lbs.	19,115 lbs.			
8/16/70 to 8/22/70	105,163 lbs.	18,947 lbs.			
8/23/70 to 8/29/70	104,011 lbs.	28,420 lbs.			
8/30/70 to 8/31/70	28,340 lbs.	9,478 lbs.			
August sub-totals	429,069 lbs.	114,046 lbs.			
August total	<u>543,115</u> lbs.				4,196,762
9/ 1/70 to 9/ 5/70	66,051 lbs.	18,810 lbs.		18,861 lbs.	
9/ 6/70 to 9/12/70	114,344 lbs.	28,454 lbs.			
9/13/70 to 9/19/70	95,218 lbs.	18,926 lbs.			
9/20/70 to 9/26/70	114,290 lbs.	19,161 lbs.			
9/27/70 to 9/30/70	85,815 lbs.	9,498 lbs.			
September sub-totals	475,738 lbs.	94,849 lbs.		18,861 lbs.	
September total	<u>589,448</u> lbs.				4,786,240
10/ 1/70 - 10/ 3/70	19,023 lbs.	9,583 lbs.			
10/ 4/70 - 10/10/70	75,978 lbs.	38,070 lbs.			
10/11/70 - 10/17/70	66,763 lbs.	38,096 lbs.	9,512 lbs.		
10/18/70 - 10/24/70	133,805 lbs.	38,175 lbs.			
10/25/70 - 10/31/70	150,490 lbs.	28,489 lbs.			
October sub-totals	446,059 lbs.	152,413 lbs.	9,512 lbs.		
October total	<u>607,984</u> lbs.				5,394,224

II. Financial

There appears to be an increase in the volume of truck shipments for November. If the current pattern holds, the yearly output should exceed 6.5 million pounds solids which

Book of:

	APPLETON COATED	LOGS MILL	WEXCOOSA-EDWARDS	HEAD CORP.	YEAR-TO-DATE
5/ 1/70 to 5/ 2/70	14,539 lbs.				
5/ 3/70 to 5/ 9/70	110,965 lbs.	28,264 lbs.			
5/10/70 to 5/16/70	96,599 lbs.	28,997 lbs.			
5/17/70 to 5/23/70	125,366 lbs.	28,989 lbs.			
5/24/70 to 5/30/70	89,399 lbs.	29,078 lbs.			
May sub-totals	436,868 lbs.	115,928 lbs.			
May total	552,796 lbs.				2,666,793 lbs.
6/ 1/70 to 6/ 6/70	130,150 lbs.	21,843 lbs.	460 lbs.		
6/ 7/70 to 6/13/70	94,191 lbs.	21,753 lbs.			
6/14/70 to 6/20/70	60,210 lbs.	14,562 lbs.			
6/21/70 to 6/27/70	90,907 lbs.	14,503 lbs.	795 lbs.		
6/28/70 to 6/30/70	(Plant closed for vacation)				
June sub-totals	375,458 lbs.	72,661 lbs.	1,255 lbs.		
June total	449,354 lbs.				3,116,152 lbs.
7/ 1/70 to 7/ 4/70	(Plant closed for vacation)				
7/ 5/70 to 7/11/70	123,382 lbs.	7,209 lbs.			
7/12/70 to 7/18/70	111,177 lbs.	36,245 lbs.			
7/19/70 to 7/25/70	89,334 lbs.	36,243 lbs.	826 lbs.		
7/26/70 to 7/31/70	95,637 lbs.	37,472 lbs.			
July sub-totals	419,530 lbs.	117,169 lbs.	826 lbs.		
July total	537,525 lbs.				3,653,677 lbs.
8/ 2/70 to 8/ 8/70	95,715 lbs.	38,086 lbs.			
8/ 9/70 to 8/15/70	95,240 lbs.	19,115 lbs.			
8/16/70 to 8/22/70	105,163 lbs.	18,947 lbs.			
8/23/70 to 8/29/70	104,011 lbs.	28,420 lbs.			
8/30/70 to 8/31/70	28,340 lbs.	9,478 lbs.			
August sub-totals	429,069 lbs.	114,046 lbs.			
August totals	543,115 lbs.				4,196,762 lbs.
9/ 1/70 to 9/ 5/70	66,051 lbs.	18,810 lbs.		19,861 lbs.	
9/ 6/70 to 9/12/70	114,344 lbs.	28,454 lbs.			
9/13/70 to 9/19/70	95,218 lbs.	18,926 lbs.			
9/20/70 to 9/26/70	114,290 lbs.	19,161 lbs.			
9/27/70 to 9/30/70	85,835 lbs.	9,498 lbs.			
September sub-totals	475,738 lbs.	94,849 lbs.		19,861 lbs.	
September total	589,448 lbs.				4,786,240 lbs.

II. Financial

The financial statement for September shows a Total Gross Profit of \$361,998.45 based on Sales of \$530,913.00. The profit plan projected \$301,793.00 but the actual profit was \$60,205.45 more than target. This was due mainly to a large variance from standard computed at the end of the third quarter. The standard cost is 47 cents per pound of emulsion produced. In reality the actual cost per pound is 43.59 cents based on the first nine

<u>Week of:</u>	<u>APPELTON COATED</u>	<u>DOCKS MILL</u>	<u>NEXCOSA-EDWARDS</u>	<u>YEAR-TO-DATE</u>
5/ 1/70 to 5/ 2/70	14,539 lbs.			
5/ 3/70 to 5/ 9/70	130,965 lbs.	28,864 lbs.		
5/10/70 to 5/16/70	96,599 lbs.	28,997 lbs.		
5/17/70 to 5/23/70	125,366 lbs.	28,989 lbs.		
5/24/70 to 5/30/70	89,359 lbs.	29,078 lbs.		
May sub-totals	436,868 lbs.	115,928 lbs.		
May total	552,796 lbs.			2,466,798 lbs.
6/ 1/70 to 6/ 6/70	130,150 lbs.	21,843 lbs.	460 lbs.	
6/ 7/70 to 6/13/70	94,191 lbs.	21,753 lbs.		
6/14/70 to 6/20/70	60,210 lbs.	14,542 lbs.		
6/21/70 to 6/27/70	90,907 lbs.	14,503 lbs.	795 lbs.	
6/28/70 to 6/30/70	(Plant closed for vacation)			
June sub-totals	375,458 lbs.	72,641 lbs.	1,255 lbs.	
June total	449,354 lbs.			3,116,152 lbs.
7/ 1/70 to 7/ 4/70	(Plant closed for vacation)			
7/ 5/70 to 7/11/70	123,382 lbs.	7,209 lbs.		
7/12/70 to 7/18/70	111,177 lbs.	36,245 lbs.		
7/19/70 to 7/25/70	89,334 lbs.	36,243 lbs.	826 lbs.	
7/26/70 to 7/31/70	95,637 lbs.	37,472 lbs.		
July sub-totals	419,530 lbs.	117,169 lbs.	826 lbs.	
July total	537,525 lbs.			3,653,677 lbs.
8/ 2/70 to 8/ 8/70	95,715 lbs.	38,086 lbs.		
8/ 9/70 to 8/15/70	95,840 lbs.	19,115 lbs.		
8/16/70 to 8/22/70	105,163 lbs.	18,947 lbs.		
8/23/70 to 8/29/70	103,581 lbs.	28,420 lbs.		
8/30/70 to 8/31/70	28,340 lbs.	9,478 lbs.		
August sub-totals	429,039 lbs.	114,046 lbs.		
August totals	543,085 lbs.			4,196,762 lbs.

II. Financial

Kenneth Knutson is now transferred to West Salem and is doing the accounting for Portage at West Salem. His report of the financial condition of the Portage operation for August shows the yearly shipments based on the original 7,000,000 pound forecast to be 477,626 pounds below the profit plan. We should start to see a pick-up in shipments for the last quarter as indicated above. The total gross profit is off by \$319,606.93 at the end of August. A realistic figure will not be available until the end of the third quarter when a complete variance from standard will be computed. Personnel at the Portage plant will record the inventories of the raw

Week of:	APFLETON COATED	LOCKS HILL	NEKOCSA-EDWARDS	YEAR-TO-DATE
5/ 1/70 to 5/ 2/70	14,539 lbs.			
5/ 3/70 to 5/ 9/70	110,965 lbs.	28,864 lbs.		
5/10/70 to 5/16/70	96,599 lbs.	28,997 lbs.		
5/17/70 to 5/23/70	125,366 lbs.	28,989 lbs.		
5/24/70 to 5/30/70	89,399 lbs.	29,078 lbs.		
May sub-totals	436,868 lbs.	115,928 lbs.		
May total	552,796 lbs.			2,666,798 lbs.
6/ 1/70 to 6/ 6/70	130,150 lbs.	21,243 lbs.	460 lbs.	
6/ 7/70 to 6/13/70	94,191 lbs.	21,753 lbs.		
6/14/70 to 6/20/70	60,210 lbs.	14,542 lbs.		
6/21/70 to 6/27/70	90,907 lbs.	14,503 lbs.	795 lbs.	
6/28/70 to 6/30/70	(Plant closed for vacation)			
June sub-totals	375,458 lbs.	72,641 lbs.	1,255 lbs.	
June total	449,354 lbs.			3,115,152 lbs.
7/ 1/70 to 7/ 4/70	(Plant closed for vacation)			
7/ 5/70 to 7/11/70	123,382 lbs.	7,209 lbs.		
7/12/70 to 7/18/70	111,177 lbs.	36,245 lbs.		
7/19/70 to 7/25/70	89,334 lbs.	36,243 lbs.	826 lbs.	
7/26/70 to 7/31/70	95,637 lbs.	37,472 lbs.		
July sub-totals	419,530 lbs.	117,169 lbs.	826 lbs.	
July total	537,525 lbs.			3,653,677 lbs.

III. Financial

The profits for July are down from the profit plan as might be expected when sales are down as much as those reported for July. The negative variance from the budget is \$34,719.37. In July the standard cost of 47 cents per pound was used which is high for Portage. When a variance from standard is computed, normally at the end of each quarter, the more realistic costs will be down slightly more than \$10,000 from the total cost of sales of \$247,339.12 reported in July. This means that the total gross profit should go up by the amount of the variance from standard, which we believe to be nearly \$10,000 more.

The Direct Labor is down primarily due to the absence of Roger Deffner who left our payroll on February 1, 1970, several months after the budget was made up. This fact resulted in the overhead as a % of direct labor being higher than the standard (750.0% versus 743.5%). While this figure appears to be moving in the wrong direction, it actually is not. The overhead did not go up as the figures might at first indicate. Rather the

Week of:

	<u>APPLETON COATED</u>	<u>LOCKS NEW</u>	<u>NEKOCSEA-EDWARDS</u>	<u>YEAR-TO-DATE</u>
5/ 1/70 to 5/ 2/70	11,539 lbs.			
5/ 3/70 to 5/ 9/70	110,965 lbs.	28,864 lbs.		
5/10/70 to 5/16/70	96,599 lbs.	28,997 lbs.		
5/17/70 to 5/23/70	125,366 lbs.	28,989 lbs.		
5/24/70 to 5/30/70	39,399 lbs.	29,078 lbs.		
May sub-totals	436,868 lbs.	115,928 lbs.		
May total	<u>552,796 lbs.</u>			2,666,702 lbs.
6/ 1/70 to 6/ 6/70	130,150 lbs.	21,843 lbs.	160 lbs.	
6/ 7/70 to 6/13/70	94,191 lbs.	21,753 lbs.		
6/14/70 to 6/20/70	60,210 lbs.	11,542 lbs.		
6/21/70 to 6/27/70	90,907 lbs.	11,503 lbs.	795 lbs.	
6/28/70 to 6/30/70	(Plant closed for vacation)			
June sub-totals	375,458 lbs.	72,641 lbs.	1,255 lbs.	
June total	<u>449,354 lbs.</u>			3,116,152

III. Financial

The month of June caused a further erosion in Sales by \$76,834.00. Yet, Total Gross Profit was \$18,832.11 higher than forecast. This paradox is due to a higher than usual Variance From Standard. Each quarter when the variance is calculated, we expect a correction of nearly \$20,000 per month or about \$60,000 for the quarter. The figures for the Variance From Standard at the end of June reveal an adjustment of \$84,965.63. This high an adjustment is due to several factors. The Overhead and the Direct Labor are both running well under budget and accounts for the major part of the increase above the normal variance. The rate used to relieve inventory during April and May was higher than it should have been. We had gelatin on hand at 85 cents, 96 cents and \$1.08 per pound. The accounting practice used requires first in, first out. This has now been corrected so that our books no longer show any 85 cents per pound gelatin.

The Total Gross Profit for the year-to-date is, of course, below budget by \$220,-170.89, keeping in mind that the total business is off by \$388,962.00.

The Overhead is down mostly due to Incoming Freight which is down due to less shipments of raw materials. The Direct Labor is down because Roger Deffner is no longer with us.

With the recent wage and benefit package received by the truckers, we can expect

October 13, 1971

MEMO TO THE FILE:

From: D. J. Krohn

Dave Nelson, a reporter for The Daily Tribune in Wisconsin Rapids called and said, "At the special request of my publisher, I am working on a special article on PCB's (polychlorinated biphenyls) and we would like information on Nekoosa Edwards usage of this material." He said that he understood that some NCR broke, recycled, went into board used by the food industry. His list of questions were as follows:

1. Is PCB used in your manufacturing operations today?
2. If so, how is it handled?
3. How is it applied?
4. Do the workers use anything special to handle the material?
5. How is it stored?
6. How is the excess disposed of?
7. Is anything special required in the way of ventilating equipment?
8. Did you have any cases of poisoning?
9. Is it considered a special danger in anyway?
10. Is any special consideration being given to quit using it?

I checked this out with Dr. T. O. Norris and with his help, roughed out the attached statement.

Delivered 10/11/71 to Wisconsin Rapids Tribune

Starting in November 1970, Nekoosa Edwards, at its newly constructed coating facility at Nekoosa, manufactured small quantities of coated sheets of paper for a single customer where part of the coating was made up of small capsules which contained the PCB material. The customer supplied the capsules and the paper was manufactured to its specifications. Manufacture of the paper was discontinued in April 1971. The coating facility has since been sold by Nekoosa Edwards to 3M Company. The small amount of waste paper from that limited operation was shipped to a waste paper dealer in Appleton. The company does not use any other materials containing PCB in the manufacture of its pulp and paper products.

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